

JPRS-CAR-92-048
13 JULY 1992



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China

**TRADE TRANSPARENCY:
MOFERT's Second Set of Regulations
on Foreign Trade and Investment**

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TRADE TRANSPARENCY: MOFERT's Second Set of Regulations on Foreign Trade and Investment

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CONTENTS

13 July 1992

TRADE TRANSPARENCY

Export License Rules for Selected Metallic Ores [GUOJI SHANGBAO 1 Feb]	1
Computer Export Licensing Procedures [GUOJI SHANGBAO 1 Feb]	1
Supplementary Notice on Computer Exports [GUOJI SHANGBAO 1 Feb]	2
Licensing of Aluminum, Aluminum Alloy Exports [GUOJI SHANGBAO 1 Feb]	2
Licensing of Six New Commodities [GUOJI SHANGBAO 11 Feb]	3
Licensing of Banana Orange Exports [GUOJI SHANGBAO 11 Feb]	3
Regulations on Export of Textiles [GUOJI SHANGBAO 13 Feb]	4
Circular on Control of Processing, Re-Export Materials [GUOJI SHANGBAO 13 Feb]	4
Import of Processing, Re-Export Materials Notice [GUOJI SHANGBAO 15 Feb]	5
MOFERT Measures Regarding Certain Foreign-Invested Enterprises [GUOJI SHANGBAO 15 Feb]	7
Circular on Trade Planning, Statistical Work [GUOJI SHANGBAO 15 Feb]	10
Foreign Contract Labor Statistics System Issued [GUOJI SHANGBAO 22 Feb]	10
Regulations on Holding Trade Talks Promulgated [GUOJI SHANGBAO 20 Feb]	14
FIEs Allowed To Export Products To Balance Payments [GUOJI SHANGBAO 20 Feb]	15

Export License Rules for Selected Metallic Ores
92CE0426A Beijing GUOJI SHANGBAO in Chinese
1 Feb 92 p 3

[Article: "Ministry of Foreign Economic Relations and Trade Urgent Notice on Export Licensing of Copper, Zinc, Lead, Manganese, Iron, and Nickel Ore"]

[Text] To enhance control over copper, zinc, lead, manganese, iron, and nickel ore, a decision has been made to extend export licensing to copper, zinc, lead, manganese, iron, and nickel. The following regulations have been especially drawn up for this purpose:

1. Effective 10 June 1989, export of the aforesaid products (including the export of materials brought into the country for processing) will require the individual submission in advance of an evaluation from the materials department or the nonferrous metals corporation in charge of the product for MOFERT [Ministry of Foreign Economic Relations and Trade] issuance of an export license for the authorized amounts. Copies of the export declaration and the evaluation of the department concerned are to be provided to the State Planning Commission as a matter of record. Henceforth, foreign traders, and traders from Hong Kong, Macao, and Taiwan may not engage in the purchase of the aforementioned raw materials in China nor their processing for export in the name of processing raw materials brought into the country for export.
2. So as not to impair the honoring of foreign contracts, exports for which the MOFERT Technology Import and Export Office's approval was obtained earlier and that reach a port after 1 August 1989 and are about to be shipped, but for which time does not permit the processing of an export license may, with the approval of the Inspectorate of Customs, be given special handling. The exporting unit is to issue a letter of guarantee to Customs for clearance, an amended license to be obtained within 15 days to conclude matters. If an amended permit is not forthcoming within the period allowed, Customs may take action according to law. The period during which Customs will accept letters of guarantee is 10-20 June 1989. It will not accept letters of guarantee thereafter.
3. Foreign contracts concluded prior to announcement of the institution of export controls must be examined, verified, and an itemized report presented by a provincial department (commission or bureau) of economic relations and foreign trade prior to 20 June for issuance of an export permit following approval by the MOFERT Export Control Office.
4. Specific commodity code numbers and meanings: Copper ore (commodity code number 28711), including copper ore concentrate and powder; concentrate zinc ore (commodity code number 2875), including zinc ore concentrate and powder; lead ore (commodity code number 2874), including lead ore concentrate and powder; manganese ore (commodity code number 2877), including manganese ore and powder; iron ore (commodity code number 281), including iron ore concentrate and powder concentrate; and nickel ore (commodity code number 2871), including nickel ore concentrate, and powder concentrate.

MOFERT 1 June 1989

Computer Export Licensing Procedures
92CE0426B Beijing GUOJI SHANGBAO in Chinese
1 Feb 92 p 3

[Article: "MOFERT Circular on Licensing of Computer Exports"]

[Text] In accordance with agreements reached between the government of China and other countries, to safeguard the country's reputation abroad, respect international practices, and develop the country's computer exports in a planned way, it has been decided to extend licensing to computer exports. Notice of pertinent particulars is provided as follows:

1. Export licensing is to take effect as of 1 August 1989.
 2. Computers to be licensed for export include all types of digital computers and associated specialized equipment, specifically including the following:
 - a. All imported complete machines or computers assembled from imported unassembled parts, and both peripheral and auxiliary equipment connected by cable to a mainframe.
 - b. China-produced computers, computer peripherals, and auxiliary equipment.
- Whenever merchandise of the above kinds are exported to any country or territory, no matter the model, the quantity, the amount of money involved, or the trade method, an export license must be obtained. Customs will perform examinations and issue clearances against MOFERT [Ministry of Foreign Economic Relations and Trade]-issued licenses.

3. Exporting units are to apply for export licenses from either the MOFERT Quota Licensing Affairs Bureau or the MOFERT Specially Designated Personnel Office using the *Examination Form for the Export of Computer Technology* issued by the MOFERT Technology Import and Export Office.
4. Exporting units must apply in writing to the MOFERT Technology Import and Export Office, such applications to include the following:
 - a. The main technical parameters, and the name and location of the production or assembly plant for the mainframe and all associated peripherals and auxiliary equipment.
 - b. Imported components in mainframes, peripherals, and auxiliary equipment; the name, the names and models of spare parts, the name of the production plant; the import price, and the percentage of such parts that complete machines contain (calculated separately for mainframes, electric cables, and mainframe peripherals and auxiliary equipment).
5. Sale price abroad, form in which payment is received, trade method, and port of shipment.
6. Copies of legal documents including the applicant's authorization to engage in foreign trade and limitations thereon.
7. The code number used for computers on export licenses is 7522, and the unit to be used is "unit" (set); The code number for computer peripherals is 752201, and the unit to be used is "units." (The term computers includes complete electronic computers and unassembled components; the terms computer peripherals and auxiliary equipment

include magnetic floppy disc drives, magnetic tape machines, printers, and display terminals.)

8. Exports for which MOFERT's Technology Import and Export Department approval was received earlier, that reach a port after 1 August 1989 and are about to be shipped, but for which time does not permit the processing of an export license may, with the approval of the Inspectorate of Customs, be given special handling. The exporting unit is to issue a letter of guarantee to Customs for clearance, an amended license to be obtained within 15 days to conclude matters. The latest date on which Customs will accept such a letter of guarantee is 10 August 1989.

MOFERT 18 July 1989

Examination Form for Export of Computer Technology

Technology Import, Export Office	Day	Month	Year
Examination Serial Number:	Unit Making Application:		
Production Plant:			
Country (Territory)	Trade Form	Computer Model	Quantity of Export
Contract No:			Date Signed:
Port of Shipment:			Consignee:
Main Technical Standards and Configuration of Computer			
CPU:			Display:
Clock:			Printer:
Storage ROM	RAM		
Hard Drives:			
Floppy Drives:			
MOFERT Technology Import-Export Office Evaluation and Conclusions:			
MOFERT Quota Licensing Affairs Bureau, or Specially Designated Personnel			
Office Action Taken:			
Export License Number:			
Export License Effective Date:	Until Day	Month	Year
Processor's Name:	Examiner's Name:		Approver's Name:

Supplementary Notice on Computer Exports

92CE0426C Beijing GUOJI SHANGBAO in Chinese
1 Feb 92 p 3

[Article: "MOFERT Supplementary Circular on the Licensing of Computers"]

[Text] For the correct enforcement of the MOFERT [Ministry of Foreign Economic Relations and Trade] Notice on Changes in the Export Licensing Commodity Catalogue and Licensing

Units, the following supplementary circular notice is issued regarding the examination and issuance of export licenses for computers and computer peripherals and auxiliary equipment covered in that notice:

1. With the exception of materials imported into the country to be processed for export, no matter the manner in which they are to be exported to any country or territory, all computers, computer peripherals, and auxiliary equipment must be licensed for export. All specially designated personnel offices must approve the issuance of licenses against the *Examination Form for the Export of Computer Technology* signed by MOFERT's Technology Import and Export Office. Computers and computer peripherals and auxiliary equipment exported through the processing of imported materials are exempt from export licensing. Customs is to handle such exports in accordance with regulations for goods brought into the country for processing, recording them as a matter of record, and conducting examinations.

2. Technical examination work procedures and requirements for the export of computers and computer peripherals and auxiliary equipment are to be handled according to pertinent regulations found in the *MOFERT Circular Notice On the Licensing of Computer Exports*.

3. Effective immediately, the export of the following four computer peripherals to any country or territory is to be exempt from licensing:

Keyboards
UPS power source
Mice
Ordinary pin type printers

Licensing of Aluminum, Aluminum Alloy Exports

92CE0426D Beijing GUOJI SHANGBAO in Chinese
1 Feb 92 p 3

[Article: "MOFERT Circular on Export Licensing of Aluminum and Aluminum-Based Alloys"]

[Text] In view of China's circumstances, it has been decided to change from prohibition to limitation the export of aluminum and aluminum-based alloys, and to license the export of aluminum and aluminum-based alloys. Licenses are to be issued by MOFERT [Ministry of Foreign Economic Relations and Trade] specially designated personnel offices in various jurisdictions. The code number for aluminum and aluminum-based alloys is 7601.

The procedure for reporting the export of aluminum and aluminum-based alloys is as follows: At the beginning of each year, foreign economic relations and trade departments or commissions, and foreign trade bureaus in all jurisdictions are to report to MOFERT the quantities to be exported. Following MOFERT collation, the amount to be exported for the entire year is to be reported to the State Planning Commission. MOFERT is to schedule export of the total, providing the information to the State Planning Commission for the record. License-issuing agencies are to issue licenses on the basis of MOFERT approval documents.

Should special circumstances require exports beyond the amounts scheduled for the year, the aforesaid procedures are to be followed.

This circular becomes effective on 20 June. All units concerned are requested to enforce it strictly.

MOFERT 10 June 1991

Licensing of Six New Commodities

92CE0426E Beijing GUOJI SHANGBAO in Chinese
11 Feb 92 p 2

[Article: "MOFERT Circular on the Licensing of Six Commodities Including Single Cylinder Diesel Engines"]

[Text] To improve control over the export of single cylinder diesel engines, indigo-blue powder, sulfur black, di-naphthol phenol, calcium tungstate, and sodium tungstate, these six commodities are to be licensed effective 1 November 1991. Pertinent particulars are provided as follows:

1. Commodity names, units of measurement, export license code numbers, and license issuing agencies:

Code Number	Product Name	Units	Remarks
8408	Single Cylinder Diesel Engines	Units	Both complete engines and unassembled parts for complete engines
32041501	Blue-Indigo Powder	Tons	
32041502	Sulfur Black		
29071500	Di-naphthol Phenol	Tons	
28418090	Calcium Tungstate	Tons	
28418020	Sodium Tungstate	Tons	

Licenses for the aforementioned commodities will be issued by MOFERT's [Ministry of Foreign Economic Relations and Trade] specially designated personnel offices.

2. Procedures for obtaining licenses are to be handled in accordance with prevailing regulations.

3. The minimum export price for single cylinder diesel engines is to be provided by the Machine Building Import-Export Chamber of Commerce; and the minimum export price for blue-indigo powder, sulfur black, di-naphthol phenol, calcium tungstate, and sodium tungstate is to be provided by the Five Ores [Wu kuang 0063 4349] Chemical Industry Import-Export Chamber of Commerce. Following MOFERT approval, the prices will be printed and issued for enforcement by agencies concerned.

4. Export contracts that took effect prior to export licensing are to be reported to MOFERT before 15 November following collation by all economic relations and foreign trade departments or commissions, or foreign trade bureaus in charge. Following examination and verification of contracts to be handled as pending, MOFERT will notify issuing agencies to issue export licenses. Pending contracts are to be handled by 30 November; those that go beyond this date will not be handled.

5. Should any of the aforementioned commodities for which export licensing applies arrive at a port for shipment without a license before 1 November, in order not to cause damage to those engaged in the export trade, such shipments may be accorded special handling, subject to the agreement of the Inspectorate General of Customs, i.e., after the exporter provides a letter of guarantee and Customs examination finds no errors, the shipment may be cleared, a supplemental license may be issued afterward within a fixed period of time. Should the time expire without issuance of a supplementary license, Customs may proceed according to law. The period during which Customs will accept letters of guarantee is from 1-15 November 1991. It will not accept letters of guarantee thereafter.

MOFERT 22 October 1991

Licensing of Banana Orange Exports

92CE0428A Beijing GUOJI SHANGBAO in Chinese
11 Feb 92 p 2

[Article: "MOFERT Circular Notice on the Licensing of and Voluntary Quota Controls on Banana Oranges Exports"]

[Text] To enhance control over the export of banana oranges [jiaogan 5604 2674] (also known as Chaozhou oranges), it has been decided to institute licensing and voluntary quota controls for this commodity effective 1 January 1992. A notice providing pertinent particulars follows:

1. The unit of measurement for banana oranges is tons; the number code for export licenses for them is 08052000; and the issuing agency is MOFERT'S [Ministry of Foreign Economic Relations and Trade] Guangzhou office of specially appointed personnel.

2. Exports of banana oranges are primarily made by foreign trade corporations having authority to deal in that commodity located in Guangdong Province, Guangzhou city, the Guangxi-Zhuang Autonomous Region, and Fujian Province. Procedures for reporting banana orange export quotas and for applying for export licenses will be handled in accordance with pertinent prevailing MOFERT regulations.

3. The China Food, National Produce, and Animal By-products Import and Export Chamber of Commerce is responsible for coordinating the export of banana oranges, as well as for recommending voluntary quotas and the minimum export price for them to MOFERT. Following MOFERT approval, this information is to be printed and issued to licensing agencies in all jurisdictions concerned for enforcement. The basic principle to be followed in making plans is that Guangdong Province is permitted to export only to Singapore and Malaysia, and Guangxi and Fujian may export only to Hong Kong and Macao.

4. Contracts for the export of banana oranges that were signed prior to export licensing and quota control are to be collated and forwarded to MOFERT for examination and verification prior to 20 January 1992 by foreign economic relations and trade commissions and departments in the provinces and the municipality concerned. MOFERT will then notify issuing agencies to issue licenses for those that are to continue in force following verification and approval.

5. Exports that reach a port for loading and shipment before 1 January 1992, but for which time does not permit the processing of an export license may, with the approval of the Inspectorate of Customs, be given special handling. The exporting unit is to issue a letter of guarantee to Customs; then, after examination finds everything to be in order, Customs may register the shipment, issue clearance, and require an amended license within a certain period of time. Unless the license is amended within the stipulated period of time, Customs may act according to law. Customs will accept such a letter of guarantee between 1 and 20 January 1992. It will not accept letters of guarantee after that time.

MOFERT 29 December 1991

Regulations on Export of Textiles

92CE0428B Beijing GUOJI SHANGBAO in Chinese
13 Feb 92 p 2

[Article: "Ministry of Foreign Economic Relations and Trade Regulations on Greater Control Over the Textile Entrepot Trade"]

[Text] The following regulations have been for the purpose of increasing control over textile entrepot trade in order to safeguard China's national interests and reputation abroad:

1. Foreign economic relations and trade control units in all jurisdictions must further increase control over textile exports to countries with which China has bilateral agreements (the United States, Canada, the EEC, Norway, Finland, and Austria). They must issue licenses strictly in accordance with the division of quotas among export enterprises concerned for these areas. They may not issue licenses without quota or in excess of quota. Violators will be prosecuted according to the law. Sufficient personnel must be provided to perform this control work well. In addition to the handling of daily licensing matters, greater control must be exercised over the export of all textiles by enterprises in these areas. Enterprises not authorized to deal in textile exports may not engage in the export of textiles.

2. All textile exporting enterprises that export textiles to countries with which China has concluded bilateral agreements must strictly abide by the quota apportioned to them. They must trade directly insofar as possible, reducing the amount of entrepot trade. Collusion with foreign traders to circumvent quotas to export textiles to countries with which China has bilateral agreements is strictly forbidden. Should a textile importing enterprise fail to use all of its quota, it should so advise higher authority so as to permit its timely allocation to others. The buying and selling of quotas is strictly forbidden, particularly the buying and selling or transfer of quotas for remuneration via traders in third countries (or territories).

3. Henceforth, all textiles produced in China, including textiles produced from the processing of raw materials imported from abroad, may not indicate on the label or on the packaging that they were manufactured in another country (or territory) if they are a Chinese product according to the country of origin regulations of the country from which they were imported. Neutral packaging for the purpose of evading quota controls, transshipping textiles to countries that have established limits is strictly forbidden. In order to prevent a third country (or region) importer from taking away from China's quota by transshipping

textiles to a limiting country, all exporting enterprises must state the following on signed contracts: "Merchandise may not be transshipped to a country with which China has signed a bilateral textile agreement."

4. Exporting enterprises that violate textile entrepot trade regulations are to be punished according to the seriousness of the offense, including a reduction of their textile quota, or revocation of their authority to export textiles. When an importing country demands that China investigate a case, should evidence of deception and failure to report the true facts be found, an investigation will be conducted and responsibility fixed on the leaders of the unit concerned.

5. According to current regulations, Sino-foreign joint enterprises, contractual joint ventures, and foreign-owned enterprises may not export to limiting countries textiles that are subject to quota restrictions. Sino-foreign joint ventures, contractual joint ventures, and foreign-owned enterprises previously approved to export textiles to non-limiting countries (or territories) may not transship goods to a limiting country, thereby taking up China's quota. Following verification, violators will face a deduction from the quota apportioned to the area concerned. When the violation is serious, they will be punished in accordance with applicable laws.

6. When examining the quality of export textiles, including textiles sold back following the processing of imported raw materials, commodity inspection units in all jurisdictions must also inspect labels, tags, and packaging. Should it be found that textiles produced in China bear a label showing another country (or territory) as the place of production, the exporting corporation or the producing enterprise concerned are to be ordered to make corrections. If they fail to do so, they are to be punished in accordance with provisions of national commodity inspection laws.

7. Customs in all jurisdictions must better supervise textile exports. Should they find merchandise in violation of the foregoing regulations, they are to refuse the declaration.

These regulation become effective as of the date of issue.

MOFERT 27 November 1991

Circular on Control of Processing, Re-Export Materials
92CE0428C Beijing GUOJI SHANGBAO in Chinese
13 Feb 92 p 2

[Article: "MOFERT Circular on Improved Control Over Materials Brought Into the Country for Processing and Re-export"]

[Text] In accordance with Inspectorate General of Customs' Circular on the Issuance of Administrative Procedures of the Customs of the People's Republic of China for Control of imported after Processing and Re-export, and MOFERT [Ministry of Foreign Economic Relations and Trade] regulations on the better control of export licensing materials brought into China for processing and re-export, must obtain an export license and quota in accordance with regulations. All commodities subject to export licensing and quota control must obtain, with Customs conducting inspections and issuing clearances against such licenses.

For the sake of convenience, all exports that come under the category of materials brought into the country for processing and re-export that are commodities for which MOFERT issues licenses (including materials brought into the country for processing and re-export by all types of foreign trade corporations and enterprises in which foreign traders have invested) may be licensed from the date that this notice takes effect by Offices of Specially by appointed personnel MOFERT in various jurisdictions. MOFERT will continue to license materials brought into the country for processing and re-export by specialized corporations, and the industrial and trading companies of central government departments that practice single-track system planning, as well as cotton and synthetic yarn and fabric made from imported raw materials processed by the textile import-export corporation system. Notice of pertinent regulations and licensing principles are provided as follows:

1. The re-export of commodities made from processed imported materials is a form of trade in which the production process begins and ends on the international market with the importation of raw materials and the export of finished products, and that does not consume domestic raw materials. For commodities for which the domestic supply of raw materials is ample, the capacity of foreign markets is limited, and for which normal trade poses numerous complexities, as well as commodities for which foreign countries have quotas, macrocontrol must be improved to bring about overall balance. Commodities for which greater control over the importation of raw materials for processing must be increased in order to prevent ill-advised development have been determined to be the following 20 for the time being: sugar, cotton yarn, cotton-polyester yarn, gray cotton cloth, gray cotton-polyester cloth, bleached cotton cloth, bleached cotton-polyester cloth, drawnwork, rugs, Arabian robes and trousers, work gloves, mushrooms in brine, canned mushrooms, sawed lumber, processed steel, ferrosilicon, pig iron, tin, toilet paper and corrugated paper (which are approved only for processing and export to Hong Kong and Macao (the explanation provided in the licensed commodity catalogue to serve as the standard.) All projects and contracts for the importation of goods for processing into the aforementioned commodities must be reported to MOFERT for examination and approval, such approval serving as the basis for obtaining from Customs a *Handbook for Registering the Processing of Imported Materials*. Other commodities need not be reported for approval in advance (commodities for which quota restrictions apply are to be exported according to quota specifications).

2. Materials imported for processing and re-export fall under normal import/export trade characters according to their natures. Therefore, only companies and enterprises possessing authority to import and export may develop these kinds of business, and only companies and enterprises having authority to deal in category 1 and category 2 commodities may conduct business in such commodities. Enterprises in which foreign businessmen have invested may engage in the processing of imported raw materials only when such business is within the previously approved scope and scale. They may not do business that exceeds the previously approved scope and scale.

3. Principles for examination and approval: The ten export commodities whose export MOFERT has prohibited (musk,

natural bezoar, polyethylene (raw materials), monazite, copper, and copper-based alloys, aluminum and aluminum-based alloys, platinum, yellow phosphorous, nickel and nickel-based alloys or processed nickel), and the twenty commodities made from the processing of imported raw materials listed above. Commodities approved prior to 1 June and for which registration has been made with Customs to obtain a *Handbook for Registering the Processing of Imported Raw Materials* med will remain in force. All new projects and contracts for the export of materials brought into the country for processing must be reported to MOFERT for approval. Customs registration and receipt of a *Handbook for Registering the Imported Raw Materials for Processing* med will be based on this approval document. All other projects and contracts for the importing of materials for processing will continue in accordance with prevailing MOFERT and Inspectorate General of Customs regulations. They will be examined and approved by foreign economic relations and foreign trade departments (or commissions), and foreign trade bureaus in individual provincial, autonomous regions, directly administered municipalities, and cities having province-level decision-making authority [Chongqing, Wuhan, Shenyang, Guangzhou, Xian, Dalian, and Harbin]. Customs will register and approve the issuance of the *Handbook for the Registering of Imported Materials for Processing* based on an approval document from an examination and approval authority.

4. Concerning the amount imported raw material usage quota, following the processing of raw material, the original form of raw materials is changed. As the standard for calculating the consumption quota, customs will use MOFERT promulgated standards, the advanced production level in plants in the same industry, and the plant's actual production situation in the step-by-step setting of consumption quotas. It will enter into the *Handbook for Registering Imported Materials for Processing*, the amount of raw materials imported, the amount used, and the amount exported. Then the licensing agency will issue an export license based on the amount authorized in the *Handbook for Registering Imported Materials for Processing*. Customs will then mark off each entry item by item.

5. The Importation of materials for processing by foreign-invested-enterprises will continue to be handled in accordance with prevailing MOFERT and Inspectorate General of Customs regulations.

MOFERT 5 July 1989

Import of Processing, Re-Export Materials Notice
92CE0428D Beijing GUOJI SHANGBAO in Chinese
15 Feb 92 p 3

[Article: "MOFERT Supplementary Circular Notice on Declaration, Application, and Approval Procedures for Import of Materials for Processing and Re-export"]

[Text] In order to improve macrocontrol over the importing of materials for processing and re-export, MOFERT [Ministry of Foreign Economic Relations and Trade] issued its *Circular On Improving Control Over the Importing of Materials for Processing and Re-export*, first specifically requiring businesses engaged in importing materials for processing to

submit an application to MOFERT for examination and approval before importing materials and parts for processing into sugar and the other items on the list of 20 commodities and 10 state prohibited export commodities. Customs, in accord with MOFERT's approval documentation issued a Registration Handbook on Importing Materials for Processing. In order to simplify procedures and facilitate business, the following supplementary circular on declaration, application, and approval procedures is issued regarding the importation of materials for processing into commodities falling under these two categories following consultations with the Inspectorate General of Customs:

1. Units in charge of those engaged in importing materials for processing that, according to regulations, are required to submit an application for approval, regardless of the kind of foreign exchange they intend to use, must all provide formal documentation, along with their application, and complete registration procedures with Customs. Moreover, they must also apply for an export license from the MOFERT issuing agency concerned.

2. The importing of raw materials for any of the 20 commodities listed in export plans that the state has approved and handed down is now to be approved by foreign economic relations and trade departments (or commissions) and foreign trade bureaus in individual provinces, autonomous regions, directly administered municipalities, and cities having provincial-level economic decisionmaking authority [Chongqing, Wuhan, Shenyang, Guangzhou, Xian, Dalian, and Harbin] in accordance with the varieties and amounts listed in export plans that the state hands down. These agencies will issue to the unit making application an "approval to import raw materials for commodities within (the year) export plans," sending a copy simultaneously to MOFERT. The operating unit can then obtain from Customs a *Handbook for Registering the Importation of Materials for Processing* upon presentation of the "approval to import raw materials for commodities within (the year) export plans together with either a copy of a signed contract or a goods order card. On the basis of the current year export plan and the *Handbook for Registering the Importation of Materials for Processing*, the units in charge may obtain from a MOFERT licensing unit a

license to export commodities produced from the processing of imported raw materials. (The individual operations within plan of all specialized foreign trade and industry and trade corporations are to be approved in accordance with this procedure by the corporation).

3. When the processing of imported materials for the aforementioned 20 different commodities exceeds plan or are exported outside the plan, as well as when imported goods are processed for commodities whose export is prohibited, after the unit in charge informs the provincial (or autonomous region), or municipal department (or commission) for economic relations and foreign trade and the foreign trade bureau or corporation in charge to request an investigation and effect a balance, the provincial (or autonomous region), or municipal department (or commission) of foreign economic relations and trade, foreign trade bureau, or corporation in charge is to make an item-by-item report to MOFERT requesting approval. Then Customs will approve the issuance of a *Handbook for Registering the Importation of Materials for Processing* on the basis of MOFERT approval documents for the export of commodities outside the plan or in excess of the plan, together with a copy of the unit in charge's signed contract or goods ordering card. The issuing unit will then issue an export license on the basis of the MOFERT approval documentation and the *Handbook for Registering the Importation of Materials for Processing*.

4. Units in charge of those engaging in the importation of materials for Processing and production into the 20 different kinds of commodities requiring greater macrocontrol and the 10 commodities whose export the state has prohibited must undertake to earn foreign exchange from exports for the state, and have authority to deal in these two categories of commodities. Other enterprises may not deal in them.

5. Importing materials to process into commodities other than the 20 for which greater macrocontrol is required, and the 10 whose export the state prohibits is to be handled in accordance with prevailing MOFERT and Inspectorate General of Customs regulations without need for MOFERT examination and approval.

6. This circular is to become effective 1 June.

**Attachment: 1. Table Showing Examination and Approval for Importing Raw Materials
Within (19XX) Year Export Plan**

XX Import-Export Corporation:				(Unit Making Application)						Remarks
Imported Materials				Processed Export Commodity				Export Plan		
Name	Unit	Quantity	Dollar Sum	Name	Unit	Quantity	Dollar Sum	Quantity	Dollar Sum	

1. Export commodities from the processing of imported materials and parts applied for on this form are limited to the

20 commodities, including sugar, stipulated in (89) Foreign Economic Relations and Trade Control Export Listing No 71.

2. Licensing of export commodities from the processing of imported materials and parts applied for on this form is based on export plan.

3. This form is to be filed by the import-export corporation for examination and approval by foreign economic relations and trade departments (or commissions), or foreign trade bureaus in individual provinces, autonomous regions, directly administered municipalities, and cities having provincial-level economic decisionmaking authority [Chongqing, Wuhan, Shenyang, Guangzhou, Xian, Dalian, and Harbin], or by designated foreign trade, and industry and trade corporations.

Day ___ Month ___ Year ___ Approving Unit (Seal)

Commodity Catalogue

1. A catalogue of the 20 commodities requiring reporting to MOFERT for approval for export when imported materials are processed outside plan or exceed plan.

Sugar, cotton yarn, gray cotton fabric, cotton-polyester yarn, cotton-polyester gray cotton fabric, bleached cotton fabric, gray cotton-polyester bleached fabric, drawnwork, rugs, Arabian robes and trousers, work gloves, mushrooms in brine, canned mushrooms, processed manganese, processed steel, ferrosilicon, pig iron, tin, toilet paper, and corrugated paper.

2. A catalogue of the 10 commodities whose export the state prohibits.

Musk, natural bezoar, polyethylene (raw material), monazite, copper and copper-based alloys, aluminum and aluminum alloys, platinum, yellow phosphorous, nickel, nickel-based alloys, and processed nickel.

MOFERT 1 May 1990

MOFERT Measures Regarding Certain Foreign-Invested Enterprises

92CE0429A Beijing GUOJI SHANGBAO in Chinese
15 Feb 92 p 3

[Article: "MOFERT Measures on Confirming and Examining Foreign-Funded Product Exporting Enterprises and High-Tech Enterprises" as promulgated on 5 January 1987]

[Text] These measures have been formulated specifically in accordance with the "State Council's Regulations on Encouraging Foreign Investments" (referred to as "Regulations" below) to facilitate the confirmation and examination of foreign-funded product exporting enterprises and high-tech enterprises.

Article 1: Upon confirmation, examination, and certification, Sino-foreign joint ventures, Sino-foreign cooperative joint ventures, and wholly foreign-owned enterprises legally approved to operate inside Chinese borders and are product exporting enterprises or high-tech enterprises that satisfy Article 2 of the "Regulations" are entitled to the preferential treatments extended by the "Regulations."

Article 2: Foreign invested enterprises [FIEs] that satisfy all of the following three conditions are deemed product exporting enterprises:

1. They must be enterprises that produce export goods.

2. Their products are intended mainly for export (they may export those products themselves, hire foreign trade companies as agents, or utilize other means of exporting). The annual export value of their goods should account for more than 50 percent of their total output value.

3. They should be able to balance their foreign exchange payments or have a foreign exchange surplus in the current year (the formula is as follows: Year-end balance of foreign exchange payments = balance carried forward from the previous year + foreign exchange operating income realized in current year - current year foreign exchange operating expenses. Specific revenues and expenditures should be computed as set out in the appendix of these measures).

Article 3: For product exporting enterprises that satisfy Article 2 of these measures, if their export value accounts for more than 70 percent of their total output value for that year, and if they pass the annual re-examination, they are entitled to the preferential treatments extended under Article 8 of the "Regulations."

Article 4: Enterprises that satisfy the following conditions are deemed high-tech enterprises:

The technologies, arts and crafts, and key equipment utilized by the FIEs are those in which foreign investments have been publicly encouraged by the state and are advanced and practical in nature; they are scarce in this country, or the products are newly-developed or can replace or recycle similar domestic products and help increase export or serve as import-substitutes.

Article 5: Enterprises that export goods and are also high-tech enterprises may choose the type of preferential treatment they prefer.

Article 6: The department in charge of examining and confirming product exporting enterprises and high-tech enterprises is the foreign economic relations and trade department in the province, autonomous region, municipality, or city with province-level planning authorities where the enterprise is located, and in the case of the SEZ's, it is the people's government (administrative committee) of the SEZ. However, product exporting enterprises and high-tech enterprises set up by various departments and subordinate organs of the State Council are examined and confirmed by MOFERT.

FIEs that satisfy Articles 2, 3, and 4 of these measures may apply for examination and confirmation by submitting the following documents to the above-mentioned examination and confirmation organs:

1. The Product Export Enterprise Application Form or High-Tech Enterprise Application Form (see attachment for format).

2. Duplicate copy of the contract and document of ratification.

3. Project feasibility study report and document of ratification.

Article 7: Upon receiving the documents listed in Article 6, organs of examination and confirmation at all levels should complete the examination and evaluation process within 30 days and give either a positive or a negative response. The

examination and confirmation of high-tech enterprises should be conducted in association with the relevant administrative departments.

Article 8: The formats of the "Product Exporting Enterprise Application Form," "High-Tech Enterprise Application Form" and the confirmation certificate are to be decided by MOFERT. The confirmation certificate will be signed and stamped with the seals of the aforementioned examination and confirmation organs at various levels. The originals should be kept by the enterprise submitting the application and duplicates should be filed with the relevant departments at the appropriate level. Records of confirmation certificates issued by the examination and confirmation organs at various levels and enterprises' application forms should be sent to MOFERT and the State Economics Commission.

Article 9: FIEs should take the initiative to draw up their own annual export plans and compile regular statistical reports on their actual achievements (see attachment for the layout of the plans and statistical reports.) These should be sent to the organ that originally performed the examination and confirmation and will serve as bases for future evaluations.

Article 10: The organ that originally performed the examination and confirmation should organize the relevant departments to conduct annual re-examination of the product exporting enterprises and high-tech enterprises. They should examine enterprises' export plans, actual accomplishments for the year, technological standards, product quality, and effort to convert

imported technologies into Chinese technologies, etc., in accordance with the conditions set out in Articles 2, 3, and 4 of this method and the terms of their contracts.

Article 11: The organ responsible for examination and confirmation should compile the names of qualified product exporting enterprises and high-tech enterprises it examined every year and notify the relevant departments. These enterprises may continue to enjoy various preferential treatments in the new year. Enterprises that failed to pass the year-end examination must pay back the taxes and fees exempt or reduced during the year as a result of the preferential treatment they enjoyed as qualified product exporting or high-tech enterprises.

In the case of product exporting or high-tech enterprises confirmed but failed to pass the examinations three years in a row, the organ originally conducted the examination and confirmation together with the department in charge should consider revoking the enterprises' certifications.

Article 12: The FIE examination and confirmation method in the Shenzhen, Zhuhai, Shantou, and Xiamen SEZs may be determined by the SEZs' people's governments (administrative committees) and patterned after this method by taking into consideration the SEZs' own conditions. A copy of the measures should be sent to MOFERT to be recorded.

Article 13: This method shall take effect on the day of promulgation. All confirmation and examination of foreign invested product exporting enterprises and high-tech enterprises must abide by this method.

198x FIE Export Plan

Name of Enterprise: FIE Plan #1											
Type of Investment: (Joint venture, cooperative joint venture, wholly foreign-owned) Unit: in 10,000 US dollar or in 10,000 yuan RMB											
Contents	Unit of Measurement										
		Previous Year's Accomplishments			Plans for 198x						
		Quantity	Unit Price	Sum	Quantity	Unit Price	Sum	Exports to Hong Kong		Exports to Macao	
								Quantity	Sum	Quantity	Sum
1. Total Output Value, Specifically: main products											
xx											
xx											
2. Total Export Value, Specifically: products that require export permits											
xx											
xx											

Manager: List prepared by: Telephone: Filing date:

**Evaluation of Foreign Exchange Balance of Payments of
Foreign-Invested Product Exporting Enterprises**

Enterprise Name:

Income and Expenditures	Amount (10,000 US dollar)	Remark
1. Total foreign exchange operating income in current year		
Foreign exchange earned through enterprise's own exports		
Foreign exchange earned through foreign trade agents		
Foreign exchange earned through other means of exporting		
Foreign exchange income from other production and operation		
2. Total foreign exchange operating expenses in current year		
Foreign exchange expenditure on imported materials and parts		
Foreign employee wages		

Foreign affair expenses		
Repayment of principal and interest on production and current loan funds		
Profit and dividends		
3. Current year balance of income and expenditures		
4. Foreign exchange balance at end of last year		
5. Foreign exchange balance at end of period		

Explanations: "Foreign exchange income from other production and operation" includes income from the sale of services abroad as well as foreign exchange income earned from import-substitutes produced by the enterprise itself. It does not include foreign exchange income from the exporting of products purchased but not produced by the enterprise nor income from foreign exchange regulation.

"Foreign exchange income earned through other means of exporting" includes the purchase of bills of lading abroad for delivery in this country; foreign exchange earned from the sale of goods priced in foreign exchange to foreign trade companies at different levels which export those goods; foreign exchange earned through the sale of goods priced in foreign exchange to friendship stores, stores that serve overseas Chinese, China-based foreign concerns, and FIEs.

Export Evaluation Form for Foreign-Invested Product Exporting Enterprises

		198x		Quarter		
Output value: 10,000 RMB						
Name of unit filing this form:				Foreign Exchange Income: \$10,000		
Product name (or enterprise name)	unit of measurement	Output value of enterprise products		Export products		
		Quantity	Amount	Quantity	Output value	Foreign exchange earned through export
Aggregate product description						

Filing date: Manager's signature: List prepared by:

Explanations: 1. This form is created to facilitate the evaluation of product exporting enterprises. Enterprises should supply the current year's cumulative figures and return the form to the organ originally performed the examination and confirmation within seven days at the end of each quarter.

2. Enterprise output value is in RMB based on the current year's ex-factory price. Export value is also based on current year's ex-factory price. Foreign exchange income earned through exporting is based on FOB price in 10,000 US dollar.

3. The total in the product name column is based on the total amount for the given reporting period. Commodities may be listed by major product names.

4. After information from the examination and approval and confirmation organs at each level has been gathered, this form should be delivered in duplicate to MOFERT within 10 days of the end of each quarter. When gathering the information, the commodity name column should be replaced with enterprise names, and listings made according to enterprise totals. At the end of the year, the summary statement should be sent to the higher level along with the enterprise's annual report.

Ministry of Foreign Economic Relations and Trade, 5
January 1987

Circular on Trade Planning, Statistical Work

92CE0429B Beijing GUOJI SHANGBAO in Chinese
15 Feb 92 p 3

[Article: "MOFERT Circular on the Administration of Foreign-Funded Import-Export Planning and Statistical Work" as promulgated on 21 December 1988]

[Text] In order to strengthen the centralized administration of the plans for foreign-funded import and export and the statistical work, improve work efficiency, and to provide better guidance, coordination, and service for the foreign-invested enterprises [FIEs], the following circular has been especially formulated:

1. MOFERT [Ministry of Foreign Economic Relations and Trade] is responsible for the gathering of foreign capital utilization statistics around the country and for making plans for import and export utilizing foreign capital. To facilitate better business relations, MOFERT requests that the various ministries, commissions, and directly-subordinate organs of the State Council and various specialized foreign trade corporations, councils for the promotion of international trade, and other relevant organs set up their own corresponding units to administer the above-mentioned tasks and send a memo to this ministry acknowledging the receipt of this circular. In the event of any change in those administrative units, this ministry should be promptly notified.

2. Beginning on 1 January 1989, economic and trade matters relating to the FIEs should be handled by the designated enterprise administration department jointly with this ministry in accordance with the existing regulations on foreign capital utilization plan and statistical system as well as the "Method on FIE Application for Import-Export Permits."

3. FIEs set up by mass organizations are to be examined and approved by the province, autonomous region, municipality, or city with province-level planning authorities where the enterprise is located. Please handle all matters concerning foreign capital utilization plans and statistical work in accordance with this method.

**Ministry of Foreign Economic Relations and Trade 21
December 1988**

Attachment: per text

Ministry of Foreign Economic Relations and Trade
(88) Foreign Economic and Trade Statistics Document
No. _____

Acknowledgement

This ministry, commission, (company) has designated the Office, (Bureau), Section to take charge of foreign-funded import-export planning and statistical work.

Manager: (section chief, deputy section chief) Telephone:

Address:

Seal (ministry, commission)

Date

Foreign Contract Labor Statistics System Issued 92CE0430A Beijing GUOJI SHANGBAO in Chinese 22 Feb 92 p 3

[Article: "MOFERT's Statistical System for Foreign Contract Engineering and Labor Cooperation Projects," issued by the Ministry of Foreign Economic Relations and Trade and the State Statistical Bureau in October 1990]

[Text] Chapter One: General Principles

Article 1: To reflect promptly, accurately, and comprehensively the state of China's foreign contract engineering and labor cooperation business and to promote the development of such business, this system has been formulated specifically in accordance with the relevant regulations of the "Statistical Laws of the CPC."

Article 2: All international technological cooperation companies (henceforth referred to as foreign contract companies) created with the approval of the State Council or MOFERT [Ministry of Foreign Economic Relations and Trade] must comply with this system.

Article 3: The purpose of compiling foreign contract engineering and labor cooperation statistics (henceforth referred to as foreign contract labor statistics) is to help leaders at all levels and the relevant units grasp the situation and to provide some bases for formulating policies, drawing up and checking out plans, and for conducting effective regulation and management through statistical survey, statistical analyses, and the provision of statistical data.

Article 4: The compilation of foreign contract labor statistics is an important means to reflect the state of foreign contract labor business and to strengthen administration and management. The statistics organs and statisticians must abide strictly by the principle of seeking truth from facts and provide reliable data and give full play to their function as service-provider and supervisor.

Article 5: Foreign contract labor statistics make up an important part of China's foreign economic and trade statistics, and MOFERT is the organ in charge of the operation.

Chapter Two: Scope

Article 6: The following undertakings, if contracted through open bid or negotiated bid, are to be included in the foreign contract labor statistics:

1. Contracting of engineering and construction projects abroad.
2. Contracting of China's foreign economic-aid projects.
3. Contracting of engineering and construction projects from overseas organs of Chinese concerns.
4. Contracting of engineering projects within Chinese borders using foreign capital.
5. The portion of a contract subcontracted by a Chinese company which enters into joint venture with a non-Chinese contract company or which undertakes an engineering contract jointly with a non-Chinese contract company.

6. The provision of technical services where fees are charged based on results produced. This includes contracting of topographic and geomorphologic survey; geological resource prospecting and survey; planning of construction zones; provision of planning documents, blueprint, production arts and crafts and techniques and engineering, technical, and economic consultation services; engineering feasibility study, research, and evaluation; technical guidance and personnel training.

7. Housing development business operated by a foreign contract company as a sideline business.

Article 7: All activities to provide technical and labor services for which fees are collected from the owner or contractor in the form of wages are deemed labor cooperation statistics. If a Chinese foreign contract company sets up a joint venture outside of the country and also supplies the labor, such labor service is also included in the labor cooperation statistics.

Chapter Three: Basic Indices

Article 8: The contract amount, business volume, net foreign exchange income, foreign exchange remitted to the higher authorities, operating profit, tax payment, number of people involved in a labor contract—these are the basic indices in the foreign contract labor statistics. Their meanings and methods of calculation are as follows:

1. Contract amount: The contract amount in Contract Statistics Form #1, #2, and #3 refers to the amount of money specified in the contract signed by the foreign contract company in the reporting period. The contract amount is based on the actual amount of money stated in the contract. Specifically, the contract amount of a housing development project is based on the total budgeted investment (including the price of land, construction cost, and other expenses.) The value of a labor cooperation contract is calculated based on the monthly wage as stated in the contract multiplied by the duration of the contract (in months).

If a foreign contract requires government approval, statistical reporting shall commence on the day government approval takes effect.

If a contract is signed in the current year but is changed or canceled in the same year, the current year's cumulative value should be adjusted according to the notice of change or cancellation issued by the operating department in the next reporting period, and an explanation should be attached accordingly.

Contracts entered into in previous years but canceled in the current year should not be reflected in the current year's statistics or in the historical data.

During the reporting period, if a supplementary contract is signed in the current year and added to an old contract signed in previous years, any increase in contract value will be treated as a new contract amount for the current year.

"Project's Contract Amount" in Contract Statistics Form #4 refers to the contract amount of a project undertaken in

the current year. The amount should be filled out regardless of when the contract was signed.

2. Volume of Business:

A. The volume of business refers to the amount of work completed by the foreign contract company in the reporting period expressed in monetary terms. It includes all work completed in the reporting period under contracts signed in previous years and new contracts signed in the current year.

(1) If the volume of business of a foreign engineering project needs to be verified, the amount of work completed in the reporting period as determined by the engineer in charge will be used for statistical purpose.

(2) For projects which do not require verification, the amount of work actually completed in the reporting period will be used for statistical purpose.

(3) In the case where only equipment, engineering materials, and technical services are provided, the volume of business is calculated based on the final amount billed the unit giving out the contract in the reporting period.

(4) The volume of business for housing development projects is based on the sale price of houses sold and the actual income from houses rented out in the reporting period.

B. The volume of business in labor cooperation is based on the final amount billed (including wages, overtime, and bonuses) the employer in the reporting period.

3. Net foreign exchange income refers to the foreign exchange income produced by a foreign contract engineering and labor cooperation project and collected in the reporting period (including income from deferred payment) less the foreign exchange expenditures in the total cost.

4. Foreign exchange remitted to the higher authorities refers to the amount of foreign exchange remitted to the state during the reporting period in compliance with the relevant state regulations. The formula is as follows:

This year's net foreign exchange income + current year allocable net foreign exchange income from deferred payment carried forward from previous years - net foreign exchange income allocable in future years from payment deferred in current year - enterprise foreign exchange retention = foreign exchange remitted to the higher authorities

5. Operating profit refers to the operating income (including income from deferred payment) generated by a foreign contract engineering and labor cooperation project settled in the reporting period less operating expenses (including cost and taxes).

6. Taxes paid to higher authorities refer to payment of state taxes in compliance with the relevant state regulations in the reporting period. The amount is to be computed using the following formula:

This year's operating profit + allocable profit from previous years' deferred payment carried forward to the current year - profit allocable in future years from payment deferred in current year - enterprise profit retention = tax payment

7. Number of people abroad at the end of the period refers to the number of people working on a foreign engineering and labor cooperation contract overseas at the end of the reporting period.

8. The number of person-time dispatched refers to the number of people sent abroad to work on a foreign engineering and labor cooperation contract in the reporting period.

9. The number of person-time returning home refers to the number of people working on a foreign engineering and labor cooperation contract who have returned home after the contract is completed, who are on vacation, or who are on temporary home-leave in the reporting period.

10. Average number of people refers to the monthly or yearly average number of people abroad. The monthly average is established by adding together the actual number of people per day divided by the number of days in the month. If there is no significant change in the number each month, the quotient of the number of people at the beginning of the month plus the number at the end of the month divided by 2 can also be used. The yearly average is the quotient of the sum of the average number of people from January through December divided by 12.

11. The number of people who died overseas refers to the number of people working on engineering and labor cooperation contracts abroad who died on the job or as a result of illness or traffic or other accidents.

Items 7, 8, 9, 10, and 11 above do not include personnel permanently employed in overseas organs of Chinese concerns or personnel traveling abroad temporarily and not working under a contract.

Article 9: In the case of an engineering and labor cooperation project contracted in whole, subcontracted in part, or transferred among several foreign contract companies, the contract amount should be reported by the company that signed the contract; other data can be reported by the company actually doing the work in accordance with the principle that whoever is responsible for the work is responsible for the report.

Article 10: If the foreign contract company transfers a contract or subcontracts to a company which is not a foreign contract company, the foreign contract company is responsible for reporting all data.

Article 11: All dollar amounts reflected in the foreign contract labor statistics are in U.S. dollars. All other currencies are converted into US dollar. The contract amount should be converted into U.S. dollars from the currency of the country (region) in which the work is to be performed at the intermediate exchange rate (that is, the average of buying and selling price) valid at the time the contract was signed. For all other items, the exchange rate used by the company in its financial dealings in the reporting period may be used for conversion purpose.

Chapter Four: Types and Requirements of Statistical Report Forms

Article 12: There are six separate statistical report forms in this system:

1. Foreign Contract Labor Statistics Monthly Report Form ("MOFERT Contract Statistics Form #1"):

This form contains the contract amount, the volume of business completed, and any change in personnel involved in the foreign engineering and labor cooperation contracts signed in the current month.

2. Comprehensive Foreign Contract Labor Statistics Annual Report Form ("MOFERT Contract Statistics Form #2"):

This form reflects the overall picture of the development of foreign engineering and labor cooperation undertakings in the reporting period. Actual figures should be used in reporting the contract amount, business volume, and the number of people abroad at year-end. For the other economic indicators, actual financial accounting figures for the first to third quarters plus estimated numbers for the fourth quarter may be used when filling out the form.

3. Detailed Annual Report Form for New Foreign Labor Contracts ("MOFERT Contract Statistics Form #3"):

This form reflects the national (regional) distribution of new contracts signed in each year.

4. Detailed Annual Report on the Implementation of Foreign Labor Contracts ("MOFERT Contract Statistics Form #4"):

This form reflects the national (regional) distribution of contracts implemented and progress made in the reporting period.

5. Annual Report Form for Reporting Foreign Contract Personnel Statistics ("MOFERT Contract Statistics Form #5"):

This form reflects the number and the composition of personnel sent abroad, the number of people returning home, the number of people abroad at year-end, the average number of people working overseas, and the number of people who died overseas in the reporting period.

6. Annual Report Form for Reporting Foreign Labor Contract Profit Statistics ("MOFERT Contract Statistics Form #6"):

This form reflects the actual profit generated by the foreign contract engineering and labor cooperation projects in the reporting period.

Article 13: All statistical report forms submitted by the foreign contract companies should be on standard 16mo paper. The monthly statistical report (MOFERT Contract Statistics Form #1) is due within 10 days at the end of the month. MOFERT Contract Statistics Forms 2-5 are due within 20 days at the end of the year. MOFERT Contract Statistics Form #6 is due within four months at the end of each year. One copy of each form should be sent to MOFERT's Comprehensive Planning Department and one copy to the Foreign Economic Cooperation Department. The

foreign contract companies should also report to the department in charge or to the relevant provincial, autonomous regional, or municipal economic relations and trade office (commission or bureau) and to the statistics department at the same level.

Chapter Five: Organization and Management of the Statistics

Article 14: All foreign contract companies should set up or improve their system of checking the statistics report forms, follow this system strictly, fill out the forms truthfully, and make sure that the writing is careful and neat, the numbers are clear, and the report is accurate. The statistics report forms must be signed and stamped with the official seals of the person compiling the data and the person filling out the forms before filing.

Article 15: All foreign contract companies must provide stronger leadership in statistical work and appoint an assistant manager to take charge of compiling the data. Depending on the company's operation, each company may set up a statistics department or assign a department to manage the data and designate statisticians for the task. It should protect the statisticians' rights and privileges and improve their professional standards. Turnover of statisticians should be kept to a minimum. When statisticians are being transferred, a system should be set up to facilitate the takeover in order to maintain the sense of continuity.

Article 16: All foreign contract companies' overseas organs and overseas expert teams should have a statistician if necessary. The statistical tasks should be made clear and checked and monitored.

Article 17: The basic business data of all foreign contract companies' labor contracts must be managed centrally by the statistics department, so that individual departments do not produce their own data. All figures used in planning are to be based on data provided by the company's statistics department.

Article 18: The statistics department and statisticians of all foreign contract companies must take the initiative to do a good job with their company's labor contract statistics work, set up and improve the data file, compile historical statistical data, actively conduct statistical survey and statistical analyses, and strive to provide statistical data that are reliable, that explains the situation, are backed by analyses, and also provide suggestions to give full play to their function as supervisor and service-provider.

Article 19: To implement this system in earnest, all foreign contract companies may take their own operation into consideration and promulgate their own detailed and supplementary rules and regulations based on the regulations stipulated by this system.

Chapter Six: Supplementary Articles

Article 20: If the due day of various statistical report forms should fall on the International Labor Day, National Day, New Year's Day, or Spring Festival, filing may be deferred according to the State Council's regulations on holidays.

Article 21: This statistical system shall take effect on 1 January 1991 (filing of 1990 annual report shall follow the new system). On the same day, MOFERT's Statistics Document No. 985 (84), entitled "Statistical System on Foreign Contract Engineering and Labor Cooperation" promulgated in December 1984 shall become null and void.

Ministry of Foreign Economic Relations and Trade and the State Statistics Bureau—October 1990

List of Foreign Contract Labor Statistics Forms

Form Number	Form Name	Reporting Period	Method of Filing	Reporting Unit	Repository Unit	Filing Day
MOFERT Contract Statistics Form #1	Foreign Contract Labor Statistics Monthly Report Form	monthly	standard form	all foreign contract companies	Two copies, one for MOFERT's Comprehensive Planning Department and one for the Foreign Economic Cooperation Department; also report to managing department or economic relations and trade department (commission or bureau) of the relevant province, autonomous region, municipality, and city with province-level economic decision-making authorities	within 10 days at the end of each month
MOFERT Contract Statistics Form #2	Comprehensive Foreign Contract Labor Annual Report Form	yearly	standard form	all foreign contract companies	same as above	within 20 days at the end of each year
MOFERT Contract Statistics Form #3	Detailed Annual Report Form for New Foreign Labor Contracts	yearly	standard form	all foreign contract companies	same as above	within 20 days at the end of each year

List of Foreign Contract Labor Statistics Forms (Continued)

Form Number	Form Name	Reporting Period	Method of Filing	Reporting Unit	Repository Unit	Filing Day
MOFERT Contract Statistics Form #4	Detailed Annual Report on the Implementation of Foreign Labor Contracts	yearly	standard form	all foreign contract companies	same as above	within 20 days at the end of each year
MOFERT Contract Statistics Form #5	Annual Report Form for Reporting Foreign Labor Contract Personnel Statistics	yearly	standard form	all foreign contract companies	same as above	within 20 days at the end of each year
MOFERT Contract Statistics Form #6	Annual Report Form for Reporting Foreign Contract Profit Statistics	yearly	standard form	all foreign contract companies	same as above	within four months at the end of each year

Regulations on Holding Trade Talks Promulgated
 92CE0430B Beijing GUOJI SHANGBAO in Chinese
 20 Feb 92 p 2

[Article: "MOFERT Measures on Administering the Examination and Approval Procedure for Holding Foreign Economic and Trade Talks" as promulgated on 27 October 1990]

[Text] This method has specifically been formulated to further rectify and improve foreign trade order and strengthen the administration of foreign economic and trade talks.

1. All foreign economic and trade talks held in this country are to be examined and approved by MOFERT [Ministry of Foreign Economic Relations and Trade].

2. Foreign economic and trade talks refer to the following: Comprehensive export commodities trade talks and exhibitions; specialized export commodities trade talks; talks regarding foreign economic and technological cooperation, foreign capital utilization, and export of technologies; and all forms of exchanges and talks that in essence have to do with foreign economic relations and foreign trade.

3. All foreign economic and trade talks held in this country organized by one locality or several localities jointly should seek permission from the economic relations and trade department (commission) in the province, autonomous region, municipality, or city with province-level economic planning authorities first before seeking MOFERT approval. All foreign economic and trade talks organized by corporations, industrial and commercial companies, trade associations, and associations directly under MOFERT's jurisdiction should seek MOFERT's approval directly. Foreign economic and trade talks held in this country organized by branches of the China Council for Promotion of International Trade should be examined by the Council first and then seek MOFERT approval. Foreign economic and trade talks held in this country and organized by various State Council ministries and commissions and organs under its direct jurisdiction

should seek approval from MOFERT directly. Foreign economic and trade talks held in this country and organized by units directly under the above-mentioned departments (excluding industrial and commercial companies) should be examined by the department, commission, or bureau in charge before seeking MOFERT approval.

4. In provinces, municipalities, and regions with a relatively large volume of foreign trade business, trade talks can be held no more than once every three years; regional trade talks organized by more than three provinces may be held once a year. To encourage multi-province and multi-municipality regional trade talks, talks organized by a single province, municipality, or region should be kept to a minimum. Foreign trade companies and enterprises of all sorts in the provinces, municipalities, and regions may attend only one regional trade talk each year.

5. Units holding foreign economic and trade talks under Article 3 of this regulation should seek approval from MOFERT before September of this year by informing MOFERT of the date, scope, and other relevant matters pertaining to talks that will be held next year.

6. The Commercial Counsellor's Office of our overseas embassies and consulates should promptly contact the Visa Department which will be issuing visas to foreign businessmen who are able to present invitations or letters to attend the MOFERT-approved talks.

7. Scheduling of foreign economic and trade talks should not coincide with the China Export Commodities Fair (Guangzhou Fair). No trade talk may be held in this country between 25 March and 20 May and between 25 September and 20 November. During the Guangzhou Fair, no foreign or domestic exhibition of any kind may be held in Guangzhou or its vicinities.

8. No unit may announce news of pending foreign economic and trade talks before they are approved by MOFERT.

This measure shall take effect on the day of promulgation.

MOFERT 27 October 1990

FIEs Allowed To Export Products To Balance Payments

92CE0430C Beijing GUOJI SHANGBAO in Chinese
20 Feb 92 p 2

[Article: "MOFERT Measures on Foreign-Invested Enterprises Purchasing Chinese Products for Export To Improve Foreign Exchange Balance of Payments" as promulgated on 5 January 1987]

[Text] MOFERT's [Ministry of Foreign Economic Relations and Trade] regulations on FIEs [foreign-invested enterprises] purchasing Chinese products for export to improve foreign exchange balance of payments are as follows:

Article 1: According to the relevant regulations of the State Council, in order to help the FIEs balance their foreign exchange payments, if approved, they may purchase Chinese products for export as a way to balance their foreign exchange payments. These measures have been formulated especially to facilitate that process.

Article 2: In principle, FIEs should balance their own foreign exchange payments by exporting goods they themselves produce. Foreign-invested, production-oriented enterprises facing temporary problems may, within a given period of time, seek permission to purchase Chinese products (except products put under centralized management by the state) for export as a way to balance their foreign exchange payments.

Article 3: If an FIE that meets the requirement set out in Article 2 above needs to purchase Chinese products for export to improve its foreign exchange balance of payments, it should first submit an application to the local province-level foreign economic relations and trade department and specify the amount of foreign exchange it needs to remedy by purchasing Chinese products for export; the RMB equivalent of that amount; the name, specification, and quantity of Chinese goods it intends to purchase and its export channels, and so on.

Article 4: The quantity of Chinese products an FIE is allowed to purchase for export is limited to the amount sufficient to remedy the foreign exchange shortfall for production and operation in that year and the amount needed so that the investor can remit abroad his allotted share of profit or the amount of foreign exchange needed to settle the accounts and remit the balance abroad when the enterprise shuts down.

Article 5: An FIE which has permission to purchase Chinese products for export to improve its foreign exchange balance of payments should mainly purchase those goods from the

province, autonomous region, or municipality where it is located. If purchases have to be made in another province, it should first seek approval from the province-level foreign economic relations and trade department of the locality where the goods are produced.

Article 6: The Chinese products which the FIEs are permitted to purchase to improve their foreign exchange balance of payments must be sold outside of China and cannot be sold inside Chinese borders.

Article 7: The FIEs which have permission to purchase Chinese products to balance their foreign exchange payments may export those products themselves or employ Chinese foreign trade companies as their agents.

Article 8: Besides allowing some FIEs to purchase Chinese products for export, the people's government of all provinces, autonomous regions, municipalities, and cities (regions) with province-level economic planning authorities may, provided that the state's export plans are fulfilled first, export local products through authorized foreign trade companies. A fixed percentage of the foreign exchange earned in accordance with the State's foreign exchange retention regulations will be distributed to the units supplying the goods. The remaining portion may be used, under the supervision of the local administration of exchange control, by the local people's government specifically to regulate and improve the FIEs' foreign exchange balance of payments.

Article 9: If the products which the FIEs have permission to purchase for export in accordance with Article 3 of this method and if the products exported by the people's governments of the province, autonomous regions, municipalities, and cities (regions) with province-level economic planning authorities in accordance with Article 8 above are required by the state to have export permits, or if the state has set export quotas for those products, approval from MOFERT must be sought. All other products can be approved by the province-level foreign economic and trade department; a report should be submitted to MOFERT for record.

The above-mentioned departments in charge of examination and approval should make a decision within one month after receiving an application. If an FIE has permission to export a product which requires an export permit, it should apply for the permit under "MOFERT's Regulation on FIE Application for Import-Export Permits."

Article 10: This method shall take effect on the day of promulgation.

MOFERT 5 January 1987

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ATTN PROCESS 103
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